

**Statement by Assistant Secretary of State
for Near Eastern Affairs
C. David Welch**

House International Relations Committee

July 28, 2005

Mr. Chairman and Members of the Committee:

Thank you, Mr. Chairman. I'm pleased to address the Committee today. I have just returned from a trip last week to Beirut with Secretary Rice where we met with Lebanon's new leaders, including new Prime Minister Fouad Siniora, and Saad Hariri and Michel Aoun, leaders of the largest bloc in Parliament and the largest opposition bloc, respectively. We also met with President Emile Lahoud, and Speaker of Parliament Nabih Berri.

The new Government's policy platform is being discussed in Parliament today and its plans for reform are impressive. It will not be an easy process, but the United States and the international community will stand with the people of Lebanon as they navigate their transformation to a free, prosperous, secure, and fully sovereign country. As Secretary Rice said during her Beirut visit, "You'll not find a more supportive partner than the United States for what Lebanon is trying to achieve. This is a wonderful breakthrough for the Lebanese people to have control over their future."

Lebanon has experienced seismic changes in the last six months. Spurred into action by the assassination of former Prime Minister Rafiq Hariri and 19 others on February 14, 2005, the Lebanese people decided the time had come for Syria to end its domination of Lebanon. Massive protests in Beirut demanded the withdrawal of Syrian troops. The international community added its voice to that of the Lebanese people, confirming its call for an end to Syrian interference that it had made six months earlier with the adoption of UN Security Council resolution 1559. Shortly thereafter, Syrian President Asad announced his intent to withdraw from Lebanon and on April 26 he announced that military troop withdrawal was complete.

We are now entering a new phase in Lebanon's political development. The parliamentary elections held May 29-June 19 were judged to be free and fair by UN and EU observers. For the first time in 29 years, the Lebanese people voted without Syrian influence and elected a parliament - with sixty-one new faces - dominated by the anti-Syrian former opposition. The elections gave the opposition led by Saad Hariri, slain former Prime Minister Rafiq Hariri's son, an absolute majority of 72 seats of the 128 seats in the Chamber of Deputies. Christian leader Michel Aoun's bloc received 21 seats and the Shia Hizballah/Amal bloc captured 35 seats. Fouad Siniora, a former finance minister and a close ally of the Hariri family, was selected as prime minister.

After three weeks of negotiations, President Lahoud accepted Prime Minister Siniora's Cabinet list on July 19. The 24-member Cabinet retained a two-thirds majority for PM Siniora's supporters that is essential to avoiding gridlock. It includes three allies of President Lahoud and five members of the Hizballah/Amal alliance. Michel Aoun's block remained outside of the government, but Aoun has publicly said his supporters will play the role of a constructive opposition. One formal member of Hizballah holds a Cabinet position: Mohammad Fneish is the new Minister of Energy and Water. Consistent with our long-standing policy, U.S. government officials will not meet with any member of Hizballah, which is a designated Foreign Terrorist Organization. We do not believe that Hizballah can be a legitimate political actor until it lays down its weapons and renounces terrorism and violence.

The new government, led by Prime Minister Siniora, submitted its Ministerial statement to Parliament for approval July 26. Parliament convened today (July 28) to discuss the statement and is widely expected to hold a vote of confidence on the statement and the proposed cabinet July 30. The 31-page document offers specific, detailed policies on economic and political reform. The statement does not address UNSCR 1559, but calls for a respect of international law and its resolutions "within the framework of sovereignty, solidarity, and national unity." On political reform, the statement promises a new electoral law within five months, a merit-based civil service, to fight against corruption, to improve transparency in government, and to promote and independent judiciary. More than half the document offers specific policies on economic reform such as increasing revenues through better tax collection; improving debt management; rationalizing the 2005 budget; exploring privatization of the telecom, power and energy sectors; implementation of Paris II measures; accession to WTO; and improving protection of intellectual property rights.

There is strong public and parliamentary support for genuine reform. The new Parliamentary opposition leader Michel Aoun, back from 15 years in exile, has pledged support for a credible national reform program. We expect Prime Minister Siniora to tackle needed reforms. We expect President Lahoud and others, including Aoun, Hizballah, and Amal, to put aside previous political disagreements and more narrow political agendas and put the longer-term needs of the Lebanese people first. In this vein, we urge the Lebanese Parliament to approve the Ministerial statement that addresses key good governance and reform initiatives. It is important that the Lebanese government seize the opportunity now to firmly commit to implementing the needed political, economic, and institutional reforms, as Prime Minister Siniora assured Secretary Rice he would do.

The Lebanese government will need the continued support of the international community to push ahead with a difficult reform agenda that will require some sacrifices by all. The United States met in June with a small group of countries, including the UK, France, Russia, EU, UN, and World Bank, to determine the best way the international community could work together to support the new government's reform agenda. Representatives of this group hope to meet with the Lebanese government in the coming weeks to offer assistance and suggest an international donors conference in Beirut later this fall.

U.S. assistance to Lebanon in the FY 2005 budget includes \$35 million in Economic Support Fund (ESF), \$700,000 in International Military and Education (IMET) funds, and \$2.3

million in Non-Proliferation, Anti-Terrorism, Demining, and Related Programs (NADR) funds. State's request for the FY 2006 budget includes \$35 million in ESF funds, \$700,000 in IMET funds, and \$1 million in NADR funds. In response to Lebanon's popular political upheaval, Congress appropriated \$5 million in the FY 2005 Emergency Supplemental for State's Bureau of Democracy, Human Rights, and Labor to strengthen Lebanon's independent democratic development.

Many challenges remain, including the need for full implementation of UN Security Council resolution 1559, which includes a call for the disarmament of all militias. The international community supports a Lebanon free of violence, terrorism and foreign interference, and as such expects Lebanon to show commitment to its international obligations. Lebanon can only exercise its full sovereignty, and contribute to regional stability, when the Government asserts sovereignty over all of Lebanon and when Hizballah and any other militias, including the armed Palestinian groups are disarmed. Until then, these groups will continue to endanger Lebanon and threaten stability in the region. Hizballah has openly admitted its material support for Palestinian terrorist operations, which undermines the Palestinian leadership's goal of stopping violence in Israel and the Palestinian territories. Hizballah's incursions across the Blue Line on June 29, which resulted in the deaths of one IDF soldier and two Hizballah fighters, seriously escalated tensions along the Blue Line. This cannot continue.

The Lebanese Armed Forces (LAF) should deploy throughout the country, and in particular to the south, as called for in UNSCR 1559. In order to better accomplish this mission, the LAF needs both equipment and training. While the United States can offer some support through IMET and NADR funds, we will urge our allies and friends to offer assistance in the form of training and equipment refurbishment.

At this time of change in Lebanon, the stabilizing role of UNIFIL continues to be important. UNIFIL monitors activity along the Blue Line, reports violations to the UN Security Council, and provides assistance to the Lebanese civilian population. UN Secretary General Annan delivered a semi-annual report to the UNSC on July 20 that called for a renewal of UNIFIL's mandate. In this report, SYG Annan noted that his Personal Representative, Geir Pedersen, would discuss with the GOL the next steps to prepare for the GOL's extension of its authority to the south and the support the UN could provide to achieve this. When UNIFIL's current mandate expires on July 31, we expect that the UN Security Council will vote to extend its mandate for another six months, until January 2006. However, during the next renewal process, the Security Council may want to review UNIFIL's mandate, size, and composition in light of the GOL's efforts to extend its authority throughout the entire Lebanese territory.

We remain deeply disturbed by Syria's continued interference in Lebanese internal affairs, including through its covert intelligence presence, its campaign of intimidation and threats of violence, and, most recently, its economic blockade along the Lebanon-Syria border. This blockade has resulted in a virtual economic stranglehold on the Lebanese economy, costing Lebanon approximately \$300,000 per day, with millions lost already. Impoverished – and innocent – Lebanese farmers have borne the brunt of the losses. While in Beirut last week, Secretary Rice repeated her concerns about the seriousness of the border issue. She publicly

called on Syria to end the blockade and to play the role of a good neighbor by rapidly working out a diplomatic solution with the Lebanese government.

Syria also continues its attempts to destabilize Lebanon by facilitating Iranian re-supply of Hizballah and by its support for armed Palestinian militias. We continue to work with our European and Arab allies to press the Syrian government to end its policies that are destabilizing the region -- from its interference in Lebanon, to its failure to stop Syrian territory from being used by those supporting the insurgency in Iraq, to its support for Palestinian groups seeking to sabotage the peace process.

Despite these challenges in Lebanon, we are optimistic. The new government will undoubtedly face obstacles, but for the first time in almost thirty years, the Lebanese have an opportunity to take charge of their own future. We will do our best to support the people of Lebanon, and the new government, as their nation confronts these challenges and builds a new future.

Thank you. I will now take your questions.